



## The Punjab Warehouses Act, 1957

Act 2 of 1958

### Keyword(s):

Co-operative Society, Goods, Licensed Warehouse, Depositor, Receipt, Warehouse

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## THE PUNJAB WAREHOUSES ACT, 1957

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#### THE SCHEDULE

## 'THE PUNJAB WAREHOUSES ACT, 1957.

(PUNJAB ACT 2 OF 1958)

*[Received the assent of the President on the 30th January, 1958  
and first published in the Punjab Government Gazette  
(Extraordinary), of the 6th February, 1958.]*

1	2	3	4
Year	No.	Short title	Whether repealed or otherwise affected by legislation
1958	2	The Punjab Warehouses Act, 1957.	Amended by Punjab Act No. 1 of 1961. <sup>1</sup> Punjab Act 30 of 1962. <sup>2</sup> Punjab Act 18 of 1965. <sup>4</sup> Haryana Adaptation of Laws (State and Concurrent Subjects) Order, 1968. <sup>5</sup> Amended by Haryana Act 7 of 1999 <sup>7</sup> .

AN

ACT

**to provide for the regulation and licencing of ware houses in the State of [Haryana]**

Be it enacted by the Legislature of the State of Punjab in the Eighth Year of the Republic of India as follows :—

1. For Statement of Objects and Reasons, see *Punjab Government Gazette* (Extraordinary), 1957, pages 1633-34.
2. For Statement of Objects and Reasons, see *Punjab Government Gazette* (Extraordinary), 1960, page 1965.
3. For Statement of Objects and Reasons, see *Punjab Government Gazette* (Extraordinary), 1962, page 1648.
4. For Statement of Objects and Reasons, see *Punjab Government Gazette* (Extraordinary), 1965, page 360.
5. See *Haryana Government Gazette* (Extraordinary), dated the 29th October, 1968, pages 531-567.
6. Substituted for the word "Punjab" by the *Haryana Adaptation of Laws (State and Concurrent Subjects) Order, 1968*.
7. For Statement of Objects and Reasons, see *Haryana Government Gazette* (Extraordinary) dated the 28th January, 1999, page 88.

## CHAPTER I

### Preliminary

**Short title, extent and commencement.** 1. (1) This Act may be called the Punjab Warehouses Act, 1957.

(2) It extends to the whole of the State of [Haryana].

(3) It shall come into force on such date as the Government may, by notification in the official Gazette, appoint.

**Definitions.**

2. In this Act, unless the context otherwise requires,—

(a) "Co-operative Society" means a society registered or deemed to be registered under the Punjab Co-operative Societies Act\*, 1954, or the Co-operative Societies Act, 1912, as in force in the territories which, immediately before the 1st November, 1956, were comprised in the State of Patiala and East Punjab States Union ;

(b) "depositor" means a person who has deposited goods with a warehouseman for storing, and includes any person who lawfully holds the receipt issued by warehousemen in respect of such goods and derives title thereto by a proper endorsement or transfer thereof to him by the depositor or the depositor's lawful transferee ;

(c) "goods" means any of the articles specified in the Schedule to this Act :

Provided that the Government may, by notification in the official Gazette, add to or omit from the Schedule any article ;

(d) "Government" means the [Government of Haryana];

(e) "licensed warehouse" means a warehouse licensed under this Act ;

(f) "person" includes any company or association or body

1. Substituted for the word "Punjab" by the Haryana Adaptation of Laws (State and Concurrent Subjects) Order, 1968.

2. Substituted for the words "Government of Punjab" by *ibid*.

\* Now see the Haryana Co-operative Societies Act, 1984 (22 of 1984).

corporate ;

- (g) "prescribed" means prescribed by rules made under this Act :
- (h) "receipt" means a warehouse receipt in the prescribed form issued by a warehouseman to a person depositing goods in the warehouse;
- (i) "warehouse" means a building, structure or other protected enclosure which is or may be used for the purpose of storing goods on behalf of depositors but does not include cloak rooms attached to hotels, railway stations, the premises of other public carriers, and the like;
- (j) "warehouseman" means a person who has obtained licence under this Act in respect of his warehouse.

## CHAPTER II

### Licensing of Warehouses

3. No person shall carry on the business of a warehouseman except under licence granted under this Act and in accordance with such terms and conditions thereof as may, from time to time, be prescribed.

4. (1) Every application for a licence under section 3 shall be made in the prescribed form to the prescribed authority.

(2) The prescribed authority may on receiving such application and on payment of such fees as may be prescribed, grant a licence.

5. (1) Before granting a licence the prescribed authority shall satisfy itself—

(a) that the warehouse is suitable for proper storage of the class or classes of goods in respect of which the licence has been applied for ;

(b) that the applicant is financially sound ;

Application for  
grant of licence.

Conditions of  
licence.

Term and  
renewal of  
licence.

(c) that the applicant has paid the fee prescribed for the licence and has also paid or given the prescribed security, if any.

(2) The Government may, by notification in the Official Gazette, add to or alter the conditions under this section.

6. Every licence granted under section 4 shall be valid for the prescribed period, and may, on application and payment of the prescribed fee, be renewed from time to time by the prescribed authority and for the prescribed period, provided the other conditions referred to in section 5 continue to be fulfilled.

Notice of  
refusal to grant  
renew licence.

7. If the prescribed authority refuses to grant or renew a licence under the foregoing provisions, it shall record its reasons for such refusal in writing and communicate the order to the applicant by forwarding a copy thereof.

Notice of  
suspension and  
cancellation of  
licence.

8. (1) Every licence granted under section 4 or renewed under section 6 shall be liable to be suspended, cancelled or revoked either temporarily or permanently by the prescribed authority for valid reasons stated in writing and in particular if the warehouseman—

(a) has applied for being declared or been adjudicated an insolvent ; or

(b) has parted, in whole or in part, with his control over the warehouses ; or

(c) has ceased to conduct the business of such a warehouse ; or

(d) has made unreasonable charges for the services rendered by him ; or

(e) has in any other manner become incompetent to conduct the business of such warehouse ; or

(f) has contravened, or failed to comply with, any of the conditions of the licence or any of the provisions of this Act or the rules made thereunder.

(2) If a licence is suspended, revoked or cancelled, the

prescribed authority shall make an entry to that effect in the licence.

**9. (1)** Before passing an order for suspension, revocation or cancellation under section 8, the prescribed authority shall give notice to the warehouseman stating the grounds on which it is proposed to suspend, revoke or cancel his licence and call upon him to show cause why the proposed action should not be taken.

Notice of  
suspension and  
cancellation of  
licence.

**(2)** After considering the explanation, if any, of the warehouseman, the prescribed authority may pass such orders as it deems just.

**10.** When a licence expires or is suspended, revoked or cancelled, the warehouseman shall cease to work as such and shall return the licence to the prescribed authority, who shall give reasonable time to the warehouseman to enable him to wind up the business or, who may acquire the business in the manner as prescribed.

Return of  
licence.

**11. (1)** Where a licence granted to a warehouseman is lost, destroyed, torn, defaced or otherwise becomes illegible, the prescribed authority shall issue a duplicate licence on the application of the warehouseman and on payment of the prescribed fee.

Duplicate  
licence.

**(2)** When a duplicate licence is issued, it shall be clearly stamped "Duplicate" and shall be marked with the date of issue of the duplicate and that of the original from the record of the office issuing the licence.

### CHAPTER III

#### Duties of a Warehouseman

**12.** Every warehouseman shall take such care of the goods deposited with him as a man of ordinary prudence would take of his own goods under similar circumstances and conditions.

Reasonable care  
of the goods  
deposited.

**13. (1)** Every warehouseman shall keep his warehouse clean and free from damp, take all necessary precautions against rats and other pests; and fulfil such conditions as may be prescribed.

Precautions  
against damage  
of injury to  
goods.

**(2)** No warehouseman shall accept such goods for deposit as are likely to cause damage to other goods which are, or may be deposited, in the warehouse.

Preservation of  
identity of  
goods.

**14.** Every warehouseman shall keep the goods of one depositor separate from the goods of other depositors and from other goods of the same depositor for which a separate receipt has been issued, in such a manner as to permit at all times the identification and delivery of the goods deposited:

Provided that where standardised and graded goods are stored in a warehouse, then, subject to any agreement between the warehouseman and a depositor, the same variety of goods belonging to different depositors may be stored together and each depositor shall be entitled only to his portion of the goods according to weight or quantity, as the case may be, as shown in his receipt.

Goods  
deteriorating in  
warehouse and  
their disposal.

**15. (1)** Whenever goods deposited in a warehouse begin to deteriorate from causes beyond the control of the warehouseman, he shall forthwith give notice of such fact to the depositor, requiring him to take delivery of the goods immediately, after surrendering the receipt duly discharged and paying all charges due to the warehouseman.

*Explanation.*—Loss of weight or bulk by shrinkage or dryage or gain in weight or bulk by absorption of moisture shall be deemed to amount to deterioration within the meaning of this sub-section, if the loss or gain exceeds such limits as may be prescribed.

(2) If the depositor does not, within a reasonable time as prescribed, comply with a notice given to him under sub-section (1), the warehouseman may cause the goods to be removed from the warehouse and sold by public auction on such conditions as may be prescribed at the cost and risk of the depositor.

(3) Any person having an interest in any goods deposited in a warehouse or in the receipt for such goods may inform the warehouseman in writing of the fact and nature of his interest and the warehouseman shall keep a record thereof; and if such person requests in writing that intimation be given to him regarding the condition of the goods and agrees to pay the charges for giving such intimation, the warehouseman shall give him intimation accordingly.

Delivery of  
goods.

**16. (1)** Every warehouseman, in the absence of any reasonable excuse, shall, without unnecessary delay, deliver the goods deposited in his warehouse to the depositor on demand made by him and surrender of the receipt duly discharged and payment of all charges due to the warehouseman.

(2) Subject to any agreement between the warehouseman and the depositor, the depositor may take partial delivery of the goods deposited in a warehouse.

17. (1) For the purposes of sub-section (1) of section 15 and of section 16, loss of weight or bulk by dryage or shrinkage within prescribed limits and gain in weight by absorption of moisture within such limits shall not be deemed to amount to deterioration.

Liability of  
warehouseman  
for shortage or  
excess in goods  
stored.

(2) If there is any excess in the goods stored in a warehouse by absorption of moisture or other causes, the warehouseman shall not be entitled thereto.

(3) If there is any shortage in the goods stored in a warehouse by dryage or other causes beyond his control the warehouseman shall not be responsible therefor.

(4) In the event of a dispute arising as to whether such shortage or excess is due to dryage or absorption of moisture or is due to other causes beyond the control of the warehouseman, the matter shall be referred to the appellate authority referred to in section 29 whose decision thereon shall be final and binding.

[18. (1) Every warehouseman shall insure goods stored in his warehouse against such risks and in such manner as may be prescribed]

Insurance of  
goods in  
warehouses.

Provided that a depositor may at his own cost insure his goods against other risks :

Provided further that nothing contained in this sub-section shall apply to the goods deposited in a warehouse belonging to a Warehousing Corporation established under the Warehousing Corporations Act, 1962 (Parliament Act 58 of 1962) where such Warehousing Corporation has agreed, in the prescribed manner, to compensate the depositor against loss or damage arising from the prescribed risks.

(2) Every warehouseman shall be entitled to recover from the depositor at the rate prescribed the charges for insurance in respect of the depositor's goods before delivery thereof, and where a Warehousing Corporation established under the Warehousing Corporations Act, 1962 (Parliament Act 58 of 1962), has agreed to compensate the depositor

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1. Section 18 substituted by Punjab Act 18 of 1965, section 2. It was previously substituted by Act 30 of 1962.

under the second proviso to sub-section (1), such Corporation shall be entitled to recover from the depositor such additional charges as it may decide, not exceeding the tariff rate of the insurance premia, for the risk which it has agreed to compensate.]

**Discrimination prohibited.**

**19.** No warehouseman shall, in the conduct of his business, discriminate between persons desiring to avail themselves of his warehouse :

Provided that the warehouseman shall show such preference to co-operative societies in the State and allow them such concessional rates as may be prescribed.

**Warehouseman not to deal in or land against goods in warehouse.**

**20.** Notwithstanding anything contained in any other law for the time being in force, no warehouseman, other than a [Co-operative Society or Haryana Warehousing Corporation established under the Warehousing Corporations Act, 1962.] [\* \* \* \*] shall, either on his own account or that of others, deal in, or lend money on, goods received by him for deposit in his warehouse.

**Accounts, etc. to be maintained.**

**21.** A warehouseman shall maintain accounts, books and records in such form and manner as may be prescribed.

## CHAPTER IV

### Inspection and Grading of Goods

**Inspection.**

**22.** The prescribed authority may, at any time during business hours, inspect or examine or cause to be inspected or examined any licensed warehouse, its machinery and equipment, goods deposited therein, and the account books and records relating thereto, for the purpose of satisfying itself that the requirements of this Act and the rules made thereunder are being complied with.

**Weighers,  
Samplers and  
Graders to  
obtain licences.**

**23. (1)** The prescribed authority may on application made in the prescribed manner and on payment of the prescribed fee, issue licences to persons possessing the prescribed qualifications entitling them to act as weighers, samplers and grader of any goods deposited or to be

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1. The words "or the Central or any State Warehousing Corporation set up under the Agricultural Produce (Development and Warehousing) Corporations Act, 1956" omitted by Punjab Act 1 of 1961, section 2.

2. Substituted by Haryana Act 7 of 1999.

deposited in a licensed warehouse and to issue certificates as to the weight, bulk quality or grade of the goods which they have examined.

(2) The prescribed authority may appoint a Board of Arbitrators whose decisions on any complaint against weighers samplers and classifiers or warehouseman relating to weight, quality or grade of the goods stored in the warehouse shall be final. The certificates issued by weighers, samplers and classifiers as to weight, quality or grade of the goods stored in the warehouse shall be binding on the warehouseman and the depositor subject to any order in appeal preferred by them to the Board of Arbitrators.

(3) No person who is not licensed under this section shall act, or hold himself out, as a weigher, sampler or grader.

**24.** (1) Every licence granted to a weigher, sampler or grader under section 23 shall be valid for the prescribed period and may, on application and payment of the prescribed fee, be renewed from time to time for the prescribed period by the prescribed authority.

(2) The prescribed authority may cancel any such licence after communicating to the licensee the grounds on which it is proposed to take action and giving him a reasonable opportunity of showing cause why the proposed action should not be taken.

(3) The prescribed authority may suspend any such licence without such notice after recording in writing its reasons therefor.

(4) The holder of any such licence shall, on the expiry thereof or the receipt of an order suspending or cancelling it, return the licence to the prescribed authority.

**25.** Every warehouseman shall provide facilities for weighing, sampling and grading any goods deposited or to be deposited in his warehouse.

Facilities to be given for weighing goods, etc.

## CHAPTER V

### Warehouse Receipts

**26.** For the goods deposited in his warehouse by each depositor, the warehouseman shall issue a receipt which shall contain full particulars of the goods and be in the prescribed form.

Receipt to be issued.

Receipt for  
deposits in  
warehouses.

**27.** The receipt issued by a warehouseman shall unless it is otherwise specified thereon, be transferable by endorsement and shall entitle its lawful holder to receive the goods specified in it on the same terms and conditions as the original depositor.

*Explanation.—* The provisions of this section shall not apply to any receipt issued by a person who has not obtained a licence under this Act.

Duplicate  
receipt

**28.** If a receipt is lost, destroyed or damaged, the warehouseman shall, on application by the depositor and payment by him of the prescribed fee, issue a duplicate receipt on such conditions as he may think fit to impose, being conditions included in the rules made under this Act.

## CHAPTER VI

### Miscellaneous

Appeals against  
certain orders of  
prescribed  
authority.

**29. (1)** An appeal against any order of the prescribed authority refusing to grant or renew a licence or suspending, revoking, or cancelling any such licence in respect of a warehouseman shall be made to such authority and within such time as may be prescribed.

(2) The decision of such appellate authority on such appeal shall be final.

No compensation  
for suspen-  
sion or cancel-  
lation of  
licence.

**30.** Where any licence is suspended, revoked or cancelled under this Act, the licensee shall not be entitled to any compensation therefor, nor shall he be entitled to refund of any fee paid by him for the licence.

Contracts and  
agreements  
inconsistent  
with Act to be  
void.

**31.** Every contract or agreement which is inconsistent with the provisions of this Act or rules made thereunder shall, to the extent of such inconsistency, be void.

Penalty and  
procedure.

**32. (1)** Whoever—

- (a) acts or holds himself out, as a licensed warehouseman without having obtained a licence under this Act, or
- (b) knowingly contravenes or fails to comply with any of

the provisions or requirements of this Act or the rules made thereunder shall be punishable with imprisonment for a term which may extend to one year or with fine which may extend to one thousand rupees or with both.

(2) Where a person committing an offence under sub-section (1) is a company or an association or a body of persons whether incorporated or not, the manager, secretary, agent or other principal officer, managing the affairs of such company, association or body shall be deemed to be guilty of such offence.

33. The prescribed authority would be entitled to forfeit the security of the warehouseman, in case the warehouseman fails to return the goods deposited within the reasonable time as provided under sections 10 and 16 of the Act and the forfeited security may be used in full or part payment of the damages or losses incurred by the depositor on account of such failure of the warehouseman.

34. (1) The Government may, by notification, make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

- (a) the matters expressly required or allowed by this Act to be prescribed;
- (b) the form of licences granted to warehousemen;
- (c) the publication of the grant, suspension revocation or cancellation of licences to warehousemen and of consolidated lists of warehousemen and licensed warehouses;
- (d) the charges to be levied by warehousemen for their services;
- (e) the books, accounts and records to be maintained by warehousemen;
- (f) the conduct of public auctions for the sale of goods deteriorating or about to deteriorate in licensed

warehouses and the manner in which the proceeds of such sales shall be accounted for ;

- (g) the scales of losses and gains of weight or bulk which may be sustained by goods owing to shrinkage or dryage in the one case and owing to absorption of moisture in the other;
- (h) the disinfection of licensed warehouses and the disinfection of goods stored therein ;
- (i) the circumstances in which any security or bond furnished by a warehouseman may be forfeited, and the manner in which any sum falling due as a result of such forfeiture may be recovered ;
- (j) the efficient conduct generally of the business of warehouseman ;
- (k) the qualifications to be possessed by persons applying for the grant of licences as weighers, samplers or graders; the conditions to be inserted in their licences; the form of the certificates to be issued by them and the grounds for which the licences may be suspended or cancelled ;
- (l) the standard weights, measures and gradations of goods to be used in licensed warehouses ;
- (m) the authority to which and the time within which an appeal under section 29 should be made ;
- (n) the manner of giving notices under this Act.

(3) The power to make rules under this section shall be subject to the condition of previous publication and the rules shall be laid before [the House] of the State Legislature as soon as may be after they are made.

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1. Substituted for the words "both Houses" by the Haryana Adaptation of Laws (State and Concurrent Subjects) Order, 1968.

## THE SCHEDULE

{See section 2 (c)}

## Goods to which the Act applies

*Foodgrains—*

Wheat.

Maize.

Gram.

Barley.

Oats.

Rice.

Bajra.

*Pulses—*

Mung.

Mash.

Moth.

Masur.

Kulth.

Peas.

Beans.

*Oilseeds—*

Sarson.

Toria.

Groundnut.

Till.

Linseed.

Cotton.

Cotton seed.

*Fodder—*

Senjee.

Metha.

Barseem.

Chattala.

Chari.

Guwara.

Oats.

Bhussa.

*Vegetables—*

Potatoes.

Tomatoes.

Onion.

Chillies.

*Others—*

Gur

Shakkar.